

VZCZCXR07717
PP RUEHIK
DE RUEHRK #0196/01 3071725
ZNR UUUUU ZZH
P 031725Z NOV 09
FM AMEMBASSY REYKJAVIK
TO RUEHC/SECSTATE WASHDC PRIORITY 4207
INFO RUEHZN/EUROPEAN POLITICAL COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 03 REYKJAVIK 000196

SIPDIS

SENSITIVE

STATE FOR INL JOHN LYLE

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [SNAR](#) [KCRM](#) [IC](#)

SUBJECT: ICELAND: 2009-2010 INCSR SUBMISSION

REYKJAVIK 00000196 001.2 OF 003

I1. (SBU) Iceland's submission for the 2009-2010 INCSR:

I1. Summary

Icelandic authorities confront limited, but increasing, levels of domestic drug production. The primary focus of law enforcement is on stopping importation and distribution, with a lesser emphasis on prosecuting for possession and use. The number of seizures and narcotics-related offenses in Iceland continued to decline in 2009. At the same time, however, the total quantity of narcotics seized increased as authorities placed greater emphasis on shutting down large-scale operations. Icelandic police made the largest narcotics seizure in Icelandic history, based on street value, during the year. Along with the government, secular and faith-based charities organize abuse prevention projects and run respected detoxification and treatment centers. Iceland is a party to the 1988 UN Drug Convention.

II. Status of Country

Illegal drugs are produced in limited, but increasing, quantities in Iceland. Law enforcement authorities believe that the domestic production of drugs is limited to marijuana plants, now grown in quantities adequate to satisfy virtually all domestic demand, and the occasional amphetamine laboratory. Police reported an average seizure of 100-200 cannabis plants a week, a dramatic increase considering that was the seizure rate for the entire year in 2000. There are even rumors that some domestically grown marijuana may be intended for export. The harsh climate and lack of arable soil make the outdoor cultivation of drug crops in Iceland almost impossible so all cultivation is limited to indoor facilities.

Most illegal drugs in Iceland are smuggled in through the mail, inside commercial containers, or by airline and ferry passengers. Amphetamines have become increasingly common during recent years and they are now the chief illicit drug entering Iceland. Police believe that this is part of a trend of stimulant drug use that also involves heightened levels of cocaine and MDMA in circulation. These drugs are believed to originate in Denmark, the Netherlands, Spain, Lithuania and South America. They are imported into Iceland primarily via Denmark and the Netherlands. According to authorities there were 62 seizures of imported drugs and precursors in 2009 (latest available National Commissioner of Police figures through September 30).

Icelandic officials raised concerns during the year that drug smuggling into Iceland could be tied to Eastern European and Baltic organized crime groups, perhaps occasionally working in cooperation with Icelandic crime groups. In addition to drug trafficking, officials believe that these groups may also be involved in money laundering and human trafficking. Law enforcement officials stated publicly that investigation and interdiction efforts were being adjusted accordingly to deal with this element of organized crime. In February, the National Police Commissioner's Analytical Unit released an assessment on the extent of organized crime in Iceland. The report stated that as a result of the economic crisis in Iceland, profits from the narcotics trade will increasingly be invested in Iceland, since capital controls and an unfavorable

currency exchange rate make exporting the profits difficult.

III. Country Actions against Drugs in 2009

Policy Initiatives. The Public Health Institute of Iceland, established in 2003, is responsible for managing alcohol and drug abuse prevention programs on behalf of the government. Programs are funded through an alcohol tax, with allocations overseen by the independent national Alcohol and Drug Abuse Prevention Council (ADAPC). The institute collects data, disseminates information on use of intoxicants, supports health improvement projects, and funds and advises local governments and non-governmental organizations working primarily in prevention. During the year it made grants worth roughly \$361,000 to a total of 45 groups and administered projects across the country. The institute is part of the Nordic Council for Alcohol and Drug Research, which promotes and encourages a joint Nordic research effort on drug and alcohol abuse.

A drug prevention program called "Youth in Europe" emphasizes the importance of organized leisure activities, in addition to time spent with parents, as Icelandic studies of drug abuse showed that these reduced the likelihood of drug use. In connection with the program, an annual Prevention Day is held each autumn in Iceland's grade schools. The program is sponsored by the pharmaceutical company Actavis Group, headquartered in Iceland, and is administered and coordinated by the City of Reykjavik, the University of Iceland, and Reykjavik University. The Icelandic Center for Social Research and Analysis, a nonprofit research center that specializes in youth research, published a study in October showing that 6 percent of 15-16 year olds have tried cannabis substances at least once.

Law Enforcement Efforts. Authorities have documented a substantial downward trend in narcotics violations over the past three years and the tentative number for 2009 shows a continuing decrease in such violations (from 1847 in 2007, to 1590 in 2008, and 976 as of September 30, 2009). This trend, however, can be attributed to the authorities placing greater emphasis on large-scale seizures and narcotics production facilities, while focusing less on individual

REYKJAVIK 00000196 002.2 OF 003

users. Police nationwide have intensified surveillance in public places and initiated searches of suspicious individuals, while also improving interdiction training for border police and customs officials.

Police had confiscated a total of 25.4 kg of hashish, 74.2 kg of amphetamines, 1.8 kg of cocaine, 6 units of LSD, 16,216 Ecstasy pills, and 9,707 cannabis plants as of September 30, 2009.

Nationwide drug seizure highlights include:

In March, Reykjavik Metropolitan Police confiscated 1000 and 621 cannabis plants, respectively, in two different raids on industrial buildings near Reykjavik.

In April, a major police operation near the harbor town of Hofn in southeast Iceland led to the discovery of 55 kg of amphetamines, 34 kg of marijuana, 19.5 kg of hashish, and roughly 9,400 Ecstasy pills that had been smuggled into Iceland by a Belgian-registered sailboat. The street value of the drugs amounted to millions of dollars, making this the biggest drug bust in Icelandic history. Over 100 people participated in the police operations including members of the Reykjavik Metropolitan Police, police departments in Eastern Iceland, the National Police Commissioner, the Icelandic Coast Guard, the Danish military, and the Icelandic Defense Agency. Six men were arrested in connection with the case.

In April, Keflavik Airport (KEF) Police arrested two Belgian women with roughly 400 grams of cocaine hidden internally.

In April, customs officials confiscated roughly 6 kg of amphetamines that were smuggled through express mail.

In September, KEF Police arrested two Polish men with approximately 6,000 Ecstasy pills hidden in cans.

The National Police Commissioner and the Sudurnes Police Commissioner, who oversees Keflavik Airport, have expressed concern about attempts at infiltration into Iceland by Central and Eastern European gangs and criminals, including from the Baltic States. In the past, police have cooperated with Nordic officials to prevent the entry of biker gang members, particularly the Hell's Angels, suspected of attempting to expand their criminal operations to Iceland. In March, police and border guards prevented the entry of eight members of Hell's Angels, who came to Iceland to celebrate the eleventh anniversary of Fafnir MC, an Icelandic biker gang that the Hell's Angels have selected as a prospective member of their

organization. Customs and police deployed drug-sniffing dogs to popular outdoor festivals on a holiday weekend in early August to deal with drug distribution among youths attending the events. Corruption. There were no reports of narcotics-related public corruption in Iceland. The country does not, as a matter of government policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the government is known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or to be involved in the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol. Iceland has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and its three protocols. An extradition treaty is in force between the U.S. and Iceland.

Drug Flow/Transit. Authorities consider Iceland a destination country for narcotics smuggling rather than a transit point. Domestic Programs/Demand Reduction. Most alcohol and drug abuse treatment is taken on by SAA, the National Center of Addiction Medicine. SAA was founded in 1977 by a group of recovered addicts who wished to replicate the rehabilitation services they had received at the Freeport Hospital in New York. SAA receives roughly two thirds of its annual budget from the government and makes detoxification and inpatient treatments available free to Icelandic citizens. While there can be waiting lists for long-term addicts, especially men, there is no wait for teenagers. SAA's main treatment center estimated the number of admitted patients in 2009 to be 2,200-2,300. The National Hospital annually admits 400-500 drug addicts (often those with complicating psychiatric illnesses). Individuals with less acute problems may turn to Samhjalp, a Christian charity that uses faith-based approaches to treating addiction, and Gotusmidjan, a treatment center for individuals between 15-20 years old, operated in conjunction with the Government Agency for Child Protection.

The Directorate of Customs continued with its national drug education program, developed in 1999 and formalized in an agreement with the national (Lutheran) church in 2003, in which an officer accompanied by a narcotics sniffing dog informs students participating in confirmation classes about the harmful effects of drugs and Iceland's fight against drug smuggling. Parents are invited to the meetings in order to encourage a joint parent-child effort against drug abuse. The Directorate of Customs and the national church maintained an educational website, which expounds the message of the program, including drug awareness, information about the Directorate of Customs, and healthy living.

REYKJAVIK 00000196 003.2 OF 003

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA has enjoyed good relations with Icelandic law enforcement authorities on information exchanges.

The Road Ahead. The DEA and FBI offices in Copenhagen and the Regional Security Office at the U.S. Embassy in Reykjavik have developed good contacts in Icelandic law enforcement circles for the purpose of cooperating on narcotics investigations and interdiction of shipments. In the past year, the Embassy's Regional Security Office has facilitated continued support between U.S. and Icelandic authorities by sharing law enforcement practices and techniques to continue strengthening the abilities of the Icelandic police. The USG's goal is to maintain the good bilateral law enforcement relationship that up to now has facilitated the exchange of intelligence and cooperation on controlled deliveries and other areas of mutual concern. The USG will continue efforts to strengthen exchange and training programs in the context of its ongoing effort to improve law enforcement, homeland security, and counterterrorism ties with Iceland.

WATSON